

Ocosta School District No. 172
Grays Harbor County, Washington
Special Audit
September 1, 1992 Through August 31, 1994

Schedule of Findings

1. District School Bus Ridership Records Were Falsified

Our audit of Ocosta School District's pupil transportation records revealed that bus ridership counts were falsified on many of the School Bus Route Logs (Form SPI 1022A). The previous district transportation supervisor inflated the number of students who rode school buses for an undetermined number of school accounting years and, knowingly, overreported ridership information to the Office of the Superintendent of Public Instruction (SPI) during the annual bus ridership survey periods. Federal funds were not involved in this case.

These ridership falsifications were pervasive throughout the system. However, it was not practical for us to determine the extent of these falsifications nor to quantify the amount of excess funds the district received from SPI during each affected school year. The previous transportation supervisor did not appear to receive any personal gain as the result of these actions.

Increased transportation funding from SPI significantly improved the overall financial condition of the district's department of transportation.

The falsification of school bus ridership records could ultimately jeopardize state funding to the district and require payback of overpayments of state funds by the district to SPI. This funding is vital for the district to adequately operate its school bus transportation system as mandated by statute.

The previous district transportation supervisor was the individual primarily responsible for the accuracy of the district's bus ridership records during the period of this falsification of public records. He was discharged on October 4, 1994, by the district for being convicted on a criminal charge unrelated to the above mentioned accusation. The district superintendent has tried twice to contact him by telephone, leaving a message both times, to discuss these bus ridership count discrepancies, however, the calls were never returned.

RCW 40.16.030 states:

Every person who shall knowingly procure or offer any false or forged instrument to be filed, registered, or recorded in any public office, which instrument, if genuine, might be filed, registered or recorded in such office under any law of this state or of the United States, shall be punished by imprisonment in a state correctional facility for not more than five years, or by a fine of not more than five thousand dollars, or by both.

The following internal control weakness allowed the previous district transportation supervisor to conceal these falsifications of ridership counts without being detected in a timely manner:

- a. District bus drivers did not record and complete daily ridership counts on SPI's School Bus Route Logs. The ridership counts on the logs were completed by the previous district transportation supervisor after which they were given to the bus drivers for signature. Thus, ridership numbers were easily inflated on the SPI form, this then resulted in higher school bus revenues for the transportation department.
- b. School Bus Route Logs were completed in pencil. Thus, they could easily be changed to inflate the number of students who rode buses during annual bus ridership survey periods.
- c. There was no periodic, independent management review nor oversight of the work performed by the previous district transportation supervisor which would have noted, in a timely manner, improprieties in the ridership reporting methodology.
- d. The bus ridership system is unauditable at all school districts in the state of Washington. Even though Ocosta School District uses an in-house transportation log sheet which is completed by bus drivers and has a total pupil count, there is no formal list of students and bus stops to prove the accuracy of the annual bus ridership survey data prepared by the district and reported to SPI.

We recommend the Washington State Office of the Attorney General and the Grays Harbor Prosecuting Attorney review this matter and take whatever action is deemed necessary under the circumstances. Any compromise or settlement of this claim must be approved in writing by the Attorney General and the State Auditor, as directed by RCW 43.09.260.

We further recommend that district and SPI officials negotiate an agreement resolving overclaims in transportation funding by the district.

We also recommend the district review overall internal controls over the taking and recording of school bus ridership counts.

- a. Ridership data on School Bus Route Logs should be contemporaneously taken and recorded by school bus drivers.
- b. Ridership data on School Bus Route Logs should be recorded in ink.
- c. An independent review of School Bus Route Logs should be performed by management.
- d. SPI should require a formal list of students from the districts as the underlying documentation to verify the accuracy of the ridership counts.

